GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3565
ANSWERED ON:21.03.2001
APPROACH PAPER ON FOOD PROCESSING INDUSTRY
ANNA SAHEB M.K. PATIL

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have examined the approach paper on food processing industry;

(b) if so, whether the Government propose to rationalise the tax structure for food processing industries;

(c) whether the food processing industries is at present under utilising its installed capacity;

(d) if so, the reasons therefore; and

(e) the measures adopted/being adopted for full utilisation of installed capacity?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI TH. CHAOBA SINGH)

(a) Department of Food Processing Industries (DFPI) organized four Regional Seminars at Kolkata, Mumbai, Bangalore and Lucknow to elicit regional inputs towards formulation of National Policy. Subsequently, a National Conference was also held at Delhi in this regard. Accordingly, a draft National Policy has since been drawn up.

(b): Rationalisation of Tax Structure is a continuing process and Government has been taking measures in this regard from time-to-time. It has been proposed in the Budget 2001-02 to bring down the current Excise Duty of 16% to Zero level for processed fruits and vegetables. It has also been proposed to give tax holiday for Industrial Estates.

(c): The present capacity utilization of processed food industry in general is low and in the case of fruits and vegetables, it is estimated to be around 50%.

(d): On account of low demand the volume of processed food industry is low and the cost of production high. High prices again result in low demand.

(e): The proposed National Food Processing Policy envisages creation of conducive environment and consumer awareness for the growth of this sector.